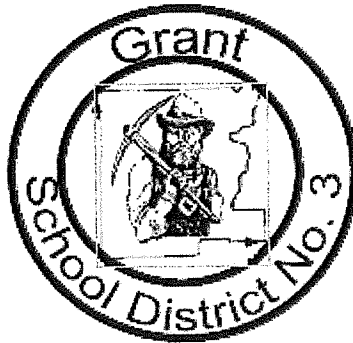


GRANT SCHOOL DISTRICT NO. 3
**INDEPENDENT AUDITOR'S REPORT,
AND
FINANCIAL STATEMENTS**

For the Year Ended June 30, 2020



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
BOARD OF DIRECTORS AND OFFICIALS
June 30, 2020

BOARD OF DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Position</u>
Kelly Stokes	PO Box 182 Mt. Vernon, OR 97865	Director Zone 1
Haley Walker	25196 Hwy 395 S. Canyon City, OR 97820	Vice Chair Zone 2
David Hall	209 NW Valley View Dr. John Day, OR 97845	Director Zone 3
Chris Cronin	215 Franke Dr. John Day, OR 97845	Board Chair Zone 4
Tracy Wyllie	201 SE Ica Street John Day, OR 97845	Director At Large
Jake Taylor	PO Box 186 Seneca, OR 97873	Director At Large
Colleen Robertson	PO Box 242 John Day, OR 97845	Director At Large

ADMINISTRATIVE STAFF

Bret Uptmor	Superintendent
Ryan Gerry	Grant Union Jr/Sr High School
Darbie Dennison	Humbolt Elementary
Dana McLean	Seneca Elementary School
Heidi Hallgarth	Business Manager

Address: 401 N. Canyon Blvd
Canyon City, OR 97820

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 Canyon City, Grant County, Oregon
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 June 30, 2020

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Canyon City, Grant County, Oregon
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*Mitch T. Saul, CPA
Amy K. Walker, CPA
Anna K. Bass*

Robert M. Armstrong, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grant School District No. 3
Canyon City, Grant County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grant School District No. 3, Canyon City, Oregon (the district), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the district's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the governmental activities and unmodified audit opinion on each major fund and the aggregate remaining fund information.

Basis for Qualified Opinion on Governmental Activities

Management did not obtain an actuarial valuation for the implicit rate subsidy for retiree medical insurance coverage. This actuarial valuation was required as a part of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, no net OPEB liability/asset has been recorded for this implicit subsidy. The amount by which this departure would affect the assets, liabilities, net position, and expenses of the governmental activities has not been determined.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the district as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the Major Funds

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, PERS Debt Service Fund, Facilities Project Fund, and the aggregate remaining fund information of the district as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the district's 2019 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed a qualified audit opinion on the governmental activities, and an unmodified audit opinion on the major funds and aggregate remaining fund information in our report dated December 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of PERS proportionate share of net pension liability and PERS contributions, schedules of proportionate share of RHIA Net OPEB liability and RHIA Contributions, and the budget and actual schedule

for the General Fund, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the district's basic financial statements. The accompanying budgetary comparison schedules and the supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

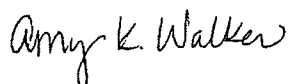
Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 2020, on our consideration of the district's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the district's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 15, 2020, on our consideration of the district's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Solutions, CPAs PC
John Day, Oregon
December 15, 2020

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

This section of the annual report for Grant School District No. 3 presents a discussion and analysis of the district's financial performance during the fiscal year that ended on June 30, 2020. The readers are encouraged to consider the information presented here in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- General Fund revenues increased \$639,065. General Fund expenditures increased \$325,043 from \$7,006,640 in 2019 to \$7,331,683 in 2020. The district's General Fund balance decreased \$114,000 from \$2,668,637 to \$2,598,156 on June 30, 2020.
- In the government-wide statements, the assets of the district exceeded its liabilities as of June 30, 2020 by \$6,919,275. Of this amount, \$7,039,787 represents the district's investment in capital assets, \$397,497 is restricted for special programs, \$56,522 is invested in inventory, \$1,660,031 is restricted for debt service and the balance of (\$2,234,562) is unrestricted.
- The district's total assets as of June 30, 2020 were \$15,063,882. This was an increase in total assets of \$1,978,486 from the 2019 total of \$13,085,396. The district's total liabilities as of June 30, 2020 were \$8,305,824. This was a decrease in total liabilities of \$1,020,219 from the 2019 total of \$9,326,043.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner like private-sector business. These statements include:

The Statement of Net Position. The Statement of Net Position presents information on all the assets and liabilities of the district at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The Statement of Activities. The Statement of Activities presents information showing how the net position of the district changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., uncollected taxes).

In the government-wide financial statements, the district's activities are shown in one category:

Governmental Activities. Most of the district's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

intergovernmental revenues. The government-wide financial statement can be found on pages 11 through 14 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the district can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statement of Net Position and Statement of Activities.

The district maintains 12 individual government funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, PERS Debt Service Fund, and Facilities Project Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as supplemental information. The basic governmental fund financial statements can be found on pages 15 through 21 of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 22 through 46 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes the General Fund budget to the actual statement along with budgetary reporting information and required schedules related to Oregon Public Retirement System. Required supplementary information can be found on pages 49 through 52 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented as supplemental information on pages 55 through 72 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Grant School District No. 3, assets exceeded liabilities by \$6,919,275 at June 30, 2020.

Capital assets, which consist of the district's land, buildings, building improvements and equipment, represent about 49.5 percent of total assets. The district uses these capital assets to provide services to students and

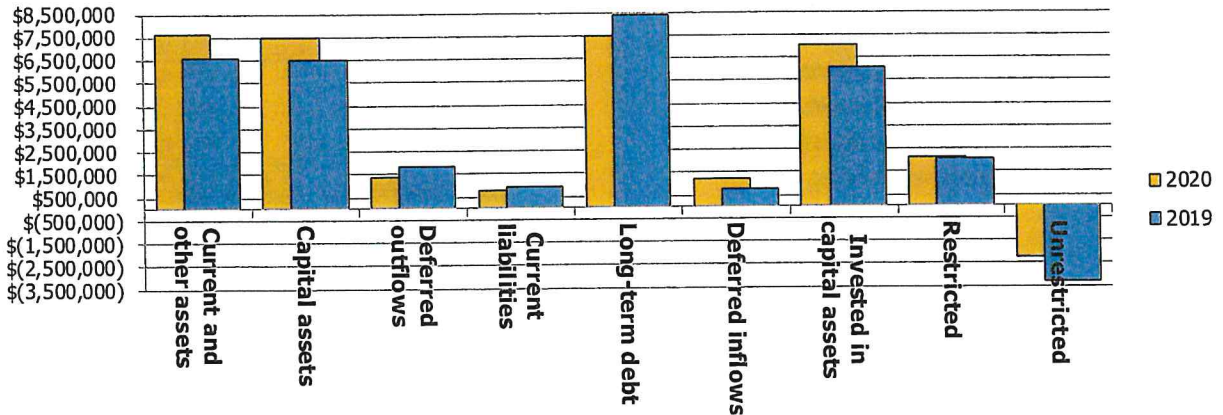
GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

other district residents; consequently, these assets are not available for future spending. The remaining assets consist mainly of cash and investments, grants receivable and property taxes receivable. The district's liabilities consist of accounts payable, accrued liabilities, current portion of long-term debt, long term debt including net pension liability.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	June 30, 2020	June 30, 2019
Current and other assets	\$ 7,603,190	\$ 6,568,740
Capital assets	7,460,692	6,516,656
Total assets	<u>15,063,882</u>	<u>13,085,396</u>
Deferred outflows of resources	1,398,322	1,796,356
Total assets and deferred outflows	<u>16,462,204</u>	<u>14,881,752</u>
Current liabilities	801,014	951,520
Long-term liabilities	7,504,811	8,374,523
Total liabilities	<u>8,305,825</u>	<u>9,326,043</u>
Deferred inflows of resources	1,237,104	762,915
Total liabilities and deferred inflows	<u>9,542,929</u>	<u>10,088,958</u>
Net position:		
Invested in capital assets	7,039,787	6,017,076
Restricted	2,114,050	2,093,311
Unrestricted	(2,234,562)	(3,317,593)
Total net position	<u>\$ 6,919,275</u>	<u>\$ 4,792,794</u>

STATEMENT OF NET POSITION



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

Government Activities. During the current fiscal year, the district's net position increased by \$2,126,481. The key elements of the increase in the district's net position for the year ending June 30, 2020 are as follows:

- An increase in state school fund of approximately \$459K.
- An increase in miscellaneous revenues of approximately \$75K.
- An increase in capital grants of approximately \$366K.

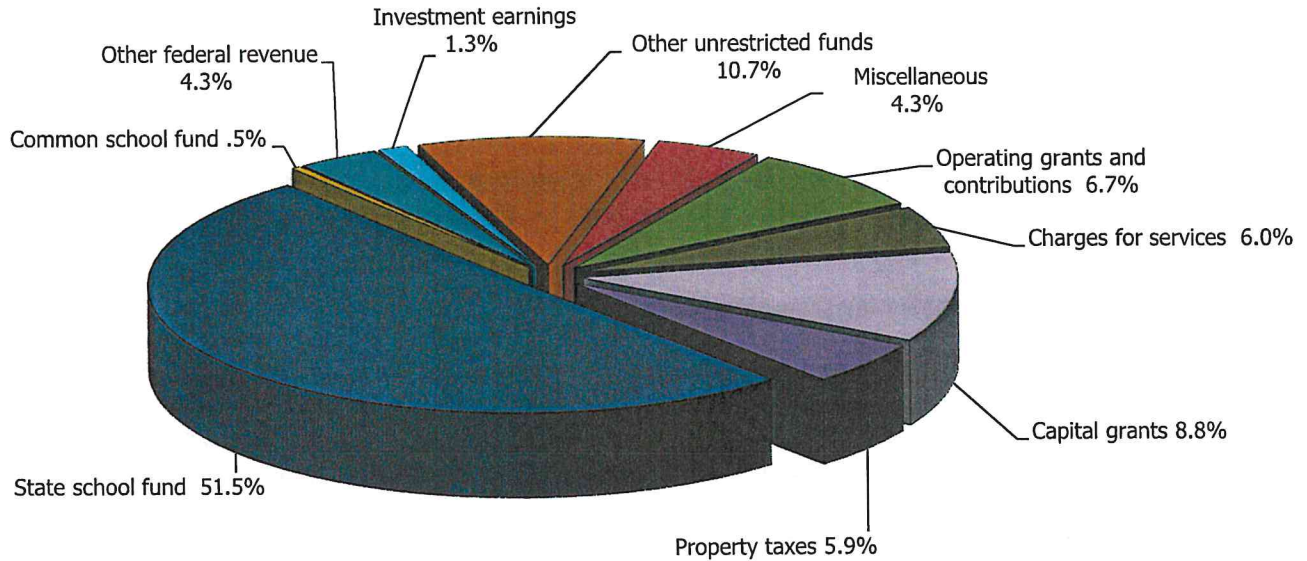
CONDENSED STATEMENT OF ACTIVITIES

For the year ended

	Governmental Activities	
	June 30, 2020	June 30, 2019
Program revenues		
Charges for services	\$ 586,995	\$ 605,215
Operating grants and contributions	912,767	674,925
Capital grants and contributions	1,256,604	890,260
General revenues		
Property taxes	597,165	591,492
State school fund - general support	5,665,276	5,206,211
Other state and local sources	1,131,564	1,129,870
Interest on investments	144,102	132,014
Restricted federal revenue	395,110	432,935
Other	509,767	434,258
Gain on disposal of capital assets	(53,253)	-
Total revenues	<u>11,146,097</u>	<u>10,097,180</u>
Expenses		
Instruction	5,297,949	5,407,893
Support services	3,004,584	2,938,651
Enterprise and community services	351,490	329,057
Debt service	309,317	296,011
Facilities maintenance	56,276	-
Total expenses	<u>9,019,616</u>	<u>8,971,612</u>
Changes in net position	2,126,481	1,125,568
Net position - beginning	4,792,794	3,758,175
Prior period adjustment	-	(90,949)
Net position - ending	<u>\$ 6,919,275</u>	<u>\$ 4,792,794</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE



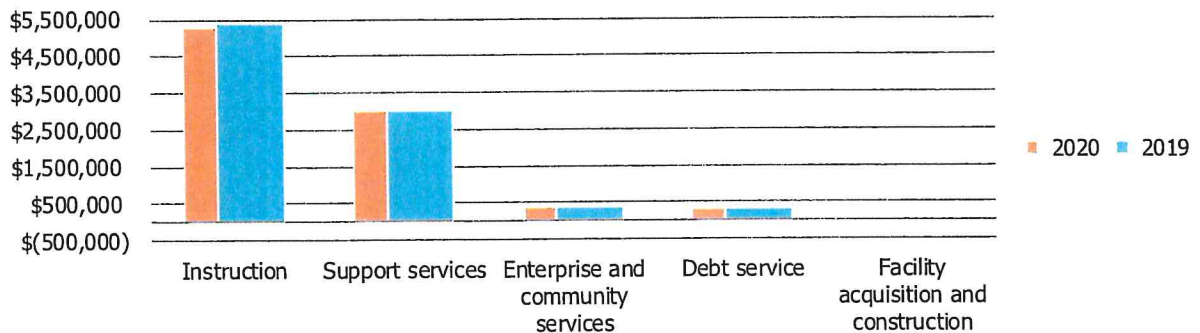
FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the district's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a district's net resources available for spending at the end of the fiscal year.

On June 30, 2020, the district's governmental funds reported combined ending fund balances of \$7,100,439, an increase of \$1,166,621.

GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

General Fund. The General Fund is the primary operating fund of the district. As of June 30, 2020, unassigned fund balance was \$2,426,200. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents approximately 35.4 percent of total General Fund expenditures.

BUDGET HIGHLIGHTS

General Fund actual revenues were \$45,621 over budgeted amounts and actual expenditures were \$2,551,222 less than budgeted amounts. There were no changes during the year to the General Fund original adopted budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The district's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2020, the district had invested \$7,039,787 in capital assets, net of accumulated depreciation and related debt. This is an increase of \$1,022,711 over June 30, 2019. Additional information on the district's capital assets can be found in note 4 on pages 30 and 31.

Long-Term Debt. During the current fiscal year, long-term debt decreased by \$891,381. Additional information on the district's long-term debt can be found in notes 5 thru 9 on pages 31 through 34.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant factors facing the district in the future are tied directly to the district enrollments and the state of Oregon's funding of public education through the State School Fund. State funding is distributed on a per student basis (measured by average daily membership-weighted) and changes based on the amount of money appropriated by the legislature and the number of students statewide.

The budget for the 2020-21 fiscal year indicates total appropriations of \$18,326,644 as compared to the 2019-20 year of \$15,498,901, an increase of 18.24%.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the district's finances and to demonstrate the district's accountability. Questions concerning any of the information provided in this report or requests for additional information can be obtained by calling the district's business office at (541) 575-1280 or by sending a written request to Grant School District No. 3, 401 N. Canyon Blvd., Canyon City, OR 97820.

BASIC FINANCIAL STATEMENTS

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF NET POSITION
June 30, 2020
(With Comparative Totals for 2019)

	<u>Governmental Activities</u>	
	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
ASSETS		
Cash and investments	\$ 6,442,477	\$ 4,820,662
Receivables		
Property taxes	57,378	53,411
Other	763,104	1,205,203
Restricted cash	283,710	393,750
Inventory	56,521	95,714
Capital assets (net of accumulated depreciation)		
Land	330,421	330,421
Construction in progress	117,706	663,662
Buildings and improvements	6,232,458	4,642,404
Equipment and vehicles	780,107	880,169
Total capital assets	<u>7,460,692</u>	<u>6,516,656</u>
Total assets	<u>15,063,882</u>	<u>13,085,396</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions and other OPEB	<u>1,398,322</u>	<u>1,796,356</u>
 LIABILITIES		
Current liabilities		
Accounts payable	185,925	435,691
Accrued liabilities	268,592	151,531
Accrued interest payable	13,391	9,523
Current portion of long-term debt	333,106	354,775
Total current liabilities	<u>801,014</u>	<u>951,520</u>
Long term liabilities		
Net pension and other OPEB liability	3,977,010	4,513,616
Leases payable	420,905	499,580
Bonds payable	3,440,002	3,716,102
Less current portion of long term debt	<u>(333,106)</u>	<u>(354,775)</u>
Total long term liabilities	<u>7,504,811</u>	<u>8,374,523</u>
Total liabilities	<u>8,305,825</u>	<u>9,326,043</u>

(Continued on next page)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF NET POSITION
June 30, 2020
(With Comparative Totals for 2019)

	Governmental Activities	
	June 30, 2020	June 30, 2019
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions and other OPEB	\$ 1,237,104	\$ 762,915
NET POSITION		
Net investment in capital assets	7,039,787	6,017,076
Restricted for inventory	56,522	95,714
Restricted for special programs	397,497	499,970
Restricted for debt service	1,660,031	1,497,627
Unrestricted (deficit)	(2,234,562)	(3,317,593)
Total net position	\$ 6,919,275	\$ 4,792,794

The Notes to Basic Financial Statements are an integral part of these statements.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2020
(With Comparative Totals for 2019)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Instruction			
Regular programs	\$ 4,018,163	\$ -	\$ 120,194
Special programs	1,279,786	-	602,786
Supporting services			
Students	286,934	-	-
Instructional staff	133,741	-	-
General administration	161,597	-	-
School administration	504,861	-	-
Business services	1,832,764	-	-
Central support services	84,687	-	-
Enterprise and community services			
Food services	351,490	60,775	189,787
Facilities acquisition and construction			
Bldg acq, const, and imp	56,276	-	-
Debt service	309,317	526,220	-
Total governmental activities	<u>\$ 9,019,616</u>	<u>\$ 586,995</u>	<u>\$ 912,767</u>

General revenues
Property taxes, levied for general purposes
State school fund
Common school fund
Other federal grants
Other unrestricted funds
Unrestricted investment earnings
Miscellaneous
Total general revenues
Gain (loss) from sale of fixed assets
Changes in net position
Net position - beginning
Prior period adjustment
Net position - ending

The Notes to Basic Financial Statements are an integral part of these statements.

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Governmental Activities	
	June 30, 2020	June 30, 2019
Capital Grants and Contributions		
\$ -	\$ (3,897,969)	\$ (4,061,546)
-	(677,000)	(857,043)
-	(286,934)	(381,626)
-	(133,741)	(72,573)
-	(161,597)	(151,808)
-	(504,861)	(488,176)
72,448	(1,760,316)	(1,709,263)
-	(84,687)	(53,013)
-	(100,928)	(57,207)
1,161,231	1,104,955	784,998
22,925	239,828	246,045
<u>\$ 1,256,604</u>	<u>(6,263,250)</u>	<u>(6,801,212)</u>
	597,165	591,492
	5,665,276	5,206,211
	43,467	51,939
	395,110	432,935
	1,088,097	1,077,931
	144,102	132,014
	509,767	434,258
	<u>8,442,984</u>	<u>7,926,780</u>
	(53,253)	-
	2,126,481	1,125,568
	4,792,794	3,758,175
	-	(90,949)
	<u>\$ 6,919,275</u>	<u>\$ 4,792,794</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020
(With Comparative Totals for 2019)

	100 General Fund	305 PERS Debt Service Fund	400 Facilities Project Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 2,216,033	\$ 1,660,031	\$ 1,647,221
Inventories	50,956	-	-
Receivables			
Property taxes	57,378	-	-
Other	740,218	-	-
Due from other funds	-	-	-
Restricted cash	-	-	-
Total assets	<u>\$ 3,064,585</u>	<u>\$ 1,660,031</u>	<u>\$ 1,647,221</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 174,107	\$ -	\$ 5,000
Accrued liabilities	244,087	-	-
Due to other funds	-	-	-
Total liabilities	<u>418,194</u>	<u>0</u>	<u>5,000</u>
Deferred inflows of resources			
Unavailable property tax revenue	48,235	-	-
Total deferred inflows of resources	<u>48,235</u>	<u>0</u>	<u>0</u>
Fund balances			
Nonspendable	50,956	-	-
Restricted	-	1,660,031	-
Committed	121,000	-	-
Assigned	-	-	1,642,221
Unassigned	2,426,200	-	-
Total fund balances	<u>2,598,156</u>	<u>1,660,031</u>	<u>1,642,221</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,064,585</u>	<u>\$ 1,660,031</u>	<u>\$ 1,647,221</u>

The Notes to Basic Financial Statements are an integral part of these statements.

Nonmajor Governmental Funds	Total	
	June 30, 2020	June 30, 2019
\$ 919,192	\$ 6,442,477	\$ 4,975,357
5,566	56,522	95,714
-	57,378	53,411
22,885	763,103	1,205,203
-	-	293,402
283,710	283,710	239,057
<u>\$ 1,231,353</u>	<u>\$ 7,603,190</u>	<u>\$ 6,862,144</u>
\$ 6,818	\$ 185,925	\$ 431,568
24,504	268,591	155,654
-	-	293,402
<u>31,322</u>	<u>454,516</u>	<u>880,624</u>
-	48,235	47,702
<u>0</u>	<u>48,235</u>	<u>47,702</u>
5,566	56,522	95,714
397,497	2,057,528	1,997,597
797,081	918,081	807,016
-	1,642,221	577,833
(113)	2,426,087	2,455,658
<u>1,200,031</u>	<u>7,100,439</u>	<u>5,933,818</u>
<u>\$ 1,231,353</u>	<u>\$ 7,603,190</u>	<u>\$ 6,862,144</u>

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**
June 30, 2020

Total Fund Balances		\$ 7,100,439
Capital assets are not financial resources and therefore are not reported in the governmental funds:		.
Cost	\$ 15,150,349	
Accumulated depreciation	<u>(7,689,657)</u>	7,460,692
A portion of the district's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		48,234
Net pension/OPEB liability is not due and payable in the current period, therefore it is not recorded in the governmental funds.		(3,977,010)
Deferred outflows and inflows related to pensions/OPEB are not current financial resources, therefore, they are not reported in the governmental funds.		161,218
Liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Bus leases payable	(420,905)	
Accrued Interest	(13,391)	
Pension bonds payable	<u>(3,440,002)</u>	(3,874,298)
Total Net Position		<u><u>\$ 6,919,275</u></u>

The Notes to Basic Financial Statements are an integral part of these statements.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**

For the Year Ended
June 30, 2020
(With Comparative Totals for 2019)

	100 General Fund	305 PERS Debt Service Fund	400 Facilities Project Fund
Revenues			
Taxes	\$ 596,632	\$ -	\$ -
Intergovernmental	7,414,435	-	1,161,231
Local sources	407,816	524,896	-
Total revenues	<u>8,418,883</u>	<u>524,896</u>	<u>1,161,231</u>
Expenditures			
Current			
Instruction			
Regular programs	3,427,557	-	-
Special programs	867,879	-	-
Adult/continuing education programs	-	-	-
Support services			
Students	180,163	-	-
Instructional staff	126,773	-	-
General administration	147,708	-	-
School administration	459,023	-	-
Business services	1,671,287	-	-
Central activities	80,677	-	-
Food services	-	-	-
Facilities acquisition and construction	162,710	-	-
Capital outlay	207,906	-	981,535
Debt service	-	362,492	-
Total expenditures	<u>7,331,683</u>	<u>362,492</u>	<u>981,535</u>
Excess of revenues over (under) expenditures	<u>1,087,200</u>	<u>162,404</u>	<u>179,696</u>
Other financing sources (uses)			
Transfer in	-	-	884,692
Transfer out	(1,201,200)	-	-
Capital lease proceeds	-	-	-
Total other financing sources (uses)	<u>(1,201,200)</u>	<u>0</u>	<u>884,692</u>
Net change in fund balances	(114,000)	162,404	1,064,388
Prior period adjustment	43,519	-	-
Available fund balance, July 1	<u>2,668,637</u>	<u>1,497,627</u>	<u>577,833</u>
Available fund balance, June 30 - by category			
Nonspendable	50,956	-	-
Restricted	-	1,660,031	-
Committed	121,000	-	-
Assigned	-	-	1,642,221
Unassigned	2,426,200	-	-
Available fund balance, June 30 - total	<u>\$ 2,598,156</u>	<u>\$ 1,660,031</u>	<u>\$ 1,642,221</u>

The Notes to Basic Financial Statements are an integral part of these statements.

Nonmajor Governmental Funds	Total	
	June 30, 2020	June 30, 2019
\$ -	\$ 596,632	\$ 600,738
785,655	9,361,321	8,334,201
308,149	1,240,861	1,171,487
<u>1,093,804</u>	<u>11,198,814</u>	<u>10,106,426</u>
108,049	3,535,606	3,476,223
311,683	1,179,562	1,188,478
168,266	168,266	301,031
61,358	241,521	328,528
-	126,773	68,213
-	147,708	138,810
-	459,023	444,709
117,983	1,789,270	1,973,572
-	80,677	50,362
331,034	331,034	310,397
35,185	197,895	75,462
-	1,189,441	1,353,355
222,925	585,417	372,295
<u>1,356,483</u>	<u>10,032,193</u>	<u>10,081,435</u>
<u>(262,679)</u>	<u>1,166,621</u>	<u>24,991</u>
316,508	1,201,200	1,229,218
-	(1,201,200)	(1,229,218)
-	-	250,196
<u>316,508</u>	<u>0</u>	<u>250,196</u>
53,829	1,166,621	275,187
(43,519)	-	(90,949)
<u>1,189,721</u>	<u>5,933,818</u>	<u>5,749,580</u>
5,566	56,522	95,714
397,497	2,057,528	1,997,597
797,081	918,081	807,016
-	1,642,221	577,833
(113)	2,426,087	2,455,658
<u>\$ 1,200,031</u>	<u>\$ 7,100,439</u>	<u>\$ 5,933,818</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**
For the Year Ended
June 30, 2020

Net Change in Fund Balance \$ 1,166,621

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$1,267,356	
Disposal of capital assets	20,200	
Less current year depreciation	<u>(343,520)</u>	944,036

Difference between current year PERS contributions that will be recognized as an expense in the subsequent period and prior year PERS contributions recognized in the current year.	516,758
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Change in net OPEB liability is not recognized in the current year in the governmental funds.	(852,375)
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Debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:

Principal payments	354,774
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In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.	(3,868)
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.	535
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Change in Net Position	<u><u>\$ 2,126,481</u></u>
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The Notes to Basic Financial Statements are an integral part of these statements.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies

School districts in the state of Oregon are created by legislative action. Grant School District No. 3 was organized in 1958 under authority of Chapter 619, Oregon Laws 1957. The administration of Grant School District No. 3 is vested in a seven-member board of directors, principals at each school location, except for Seneca, and superintendent and business manager at the district office in Canyon City.

The accounting policies of the district conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following summary of significant accounting policies is presented to assist the reader in evaluating the district's financial statements.

A. Reporting Entity

A seven-member board of directors exercises governance responsibilities over all entities related to public elementary and secondary school education within the jurisdiction of the district as set by the state of Oregon. The board receives funding from local, state, and federal sources. However, the district is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

In evaluating how to define the district for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the primary government's financial accountability. The criteria used to determine financial accountability include whether the primary government appoints a voting majority, the primary government can impose its will on the component unit, whether there is financial benefit or burden on the primary government, and if the component unit has a fiscal dependency on the primary government. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the district is financially accountable. No other entities met requirements for inclusion in the district.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the district. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

The statement of Net Position presents the district's non-fiduciary assets, deferred outflows, deferred inflows and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints place on net position use are either externally imposed or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or other for tuition, fees, rentals, material, supplies, or services provided and (2) operating grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the district's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The district reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the district. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

PERS Debt Service Fund – The PERS Debt Service Fund is used exclusively to service the PERS Bond debt.

Facilities Projects Fund - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Additionally, the district reports the following fund types:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the servicing of general long-term debt not being financed by proprietary or nonexpendable funds.

C. Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the district receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the district funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the district's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The district considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

D. Budgets and Budgetary Accounting

A budget is prepared for each district fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, inter-agency fund transactions, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30.

Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the board of directors. The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in governmental funds. Encumbrances outstanding at the year-end are reported as accounts payable and constitute expenditures and liabilities of the present year.

E. Deposits and Investments

The district's cash and cash equivalents are considered cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in savings accounts and the Oregon State Treasury Local Government Investment Pool and allocated to each fund based on the excess cash each fund has deposited.

Oregon statutes and local ordinances authorize the district to invest (short-term and long-term) in certificates of deposit (considered investments for risk categorization purposes), certain bond obligations of civil subdivisions, general obligations of the United States, U.S. agency issues, general obligations of the states of Oregon, Washington, Idaho and California, certain interest bearing bonds of a county, port or school district, certain interest bearing bonds on any city in the state of Oregon, life insurance and annuity contracts, pooled deferred compensation trusts, banker's acceptances, and certain corporate bonds. All investments are stated at cost, which approximates market value.

F. Receivables and Payables

The district levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15, and become delinquent May 15. Foreclosure is started three years after taxes become delinquent. The district turns all tax collection duties over to Grant County, Oregon.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Uncollected property taxes are recorded on the Statement of Net position. Uncollected taxes are deemed to be substantially collected or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the district.

The district reports deferred inflows on its governmental fund balance sheet. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received by the district before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the district has a legal claim to the resources, the liability for deferred inflows is removed from the balance sheet and revenue is recognized.

G. Inventory

Inventories of supplies are charged to expenditures when purchased. The items in inventory remain at a relatively constant level and the amount is not material. Inventory at June 30, 2020 was \$56,521 and consisted of fuel and food.

H. Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The district defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 to 60 years
Equipment	5 to 30 years

I. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

No provision is made for accumulated unpaid vacation, sick pay, and other employee benefits. The district's vacation policy varies by employee classification. A liability for accumulated sick pay does exist; however, it is not able to be estimated. Each employee may accumulate sick leave and carry it over to the succeeding year. In a year when sick leave is used, the teacher is paid the regular contract salary during the absence to the extent of sick leave earned. Substitutes must be hired by the district. When a teacher becomes employed by another district, the accumulated sick leave is transferred to that district.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The district has one item that qualifies for reporting in this category. It is the deferred amounts relating to

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

pensions/OPEB. This amount is deferred and recognized as an outflow of resources in the period when the district recognizes pension/OPEB expense. Deferred outflows are included in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The district also reports deferred amounts related to pensions/OPEB. This amount is deferred and recognized as an inflow of resources in the period when the district recognizes pension/OPEB income. Deferred inflows are included in the government-wide Statement of Net Position.

K. Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

N. Other Post-Employment Benefits (OPEB)

PERS – Retirement Health Insurance Account

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a nonspendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the board of directors passes an ordinance or resolution that places specific constraints on how the resources may be used. The board action that imposed the limitation would need to occur no later than the close of the reporting period. The board of directors can modify or rescind the legislative action at any time through passage of an additional ordinance or resolution.

The net resources that are constrained by the district's intent to use them are reported as assigned fund balance. Intent is expressed when the board of directors approves which resources should be set aside for specific purposes during the adoption of the annual budget. The board of directors and business manager use that information to determine whether those resources should be classified as assigned in the district's financial statements. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The district applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Note 2. Deposits and Investments

At June 30, 2020 the carrying amount of the district's deposits was \$907,724 and the bank balance was \$1,018,706. The district maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's Oregon Public Funds Collateralization Program (PFCP) web site. Oregon Revised Statute Chapter 295 requires all Oregon bank depositories holding public fund deposits to maintain securities totaling a value not less than 110 percent of the greater of:

- a. All public funds held by the bank depository; or
- b. The average of the balances of public funds held by the bank depository, as shown on the last four immediately preceding treasurer reports.

Custodial credit risk is the risk that in the event of a financial institution failure, the district's deposits may not be returned to it. The district does not have a policy for custodial credit risk. However, the balances in excess of the FDIC insurance are considered collateralized by PFCP. As of June 30, 2020 the district had no balances exposed to custodial credit risk.

As of June 30, 2020 the district had the following investments:

Investment	Maturities	Fair Value
Local government investment pool	Varies	\$ 5,809,310
Wells Fargo investments in federal obligations	Varies	2,274
Bank of NY Mellon investments in federal obligations	Varies	6,879
Total		<u>\$ 5,818,463</u>

The district's position in the pool is stated at cost which approximates fair value.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The district has no policy for managing interest rate or credit risk. Investments by the district held in the Local Government Investment Pool are not rated. Investments with Wells Fargo are rated AAA/Aa1 by Standard and Poor's and Moody's respectively.

The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council.

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Reconciliation to financial statements:

Unrestricted cash and investments	\$ 6,442,477
Restricted cash	<u>283,710</u>
Total cash and investments	<u>\$ 6,726,187</u>
Cash carrying amount	\$ 907,724
Investments carrying amount	<u>5,818,463</u>
Total cash and investments	<u>\$ 6,726,187</u>

Note 3. Receivables

Receivables are comprised of the following as of June 30, 2020:

Property Taxes	\$ 57,378
Grants	<u>763,104</u>
Total	<u>\$ 820,482</u>

Note 4. Changes in Capital Assets

The following is a summary of changes in capital assets:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets				
Land	\$ 330,421	\$ -	\$ -	\$ 330,421
Construction in Progress	663,662	117,706	(663,662)	117,706
Buildings	6,139,083	160,457	-	6,299,540
Improvements	3,995,662	1,689,636	-	5,685,298
Equipment and Vehicles	<u>2,754,166</u>	<u>36,672</u>	<u>(73,453)</u>	<u>2,717,385</u>
Totals	<u>13,882,994</u>	<u>2,004,471</u>	<u>(737,115)</u>	<u>15,150,350</u>
Accumulated Depreciation				
Buildings	4,474,608	125,266	-	4,599,874
Improvements	1,017,733	134,773	-	1,152,506
Equipment and vehicles	<u>1,873,997</u>	<u>83,481</u>	<u>(20,200)</u>	<u>1,937,278</u>
Totals	<u>7,366,338</u>	<u>343,520</u>	<u>(20,200)</u>	<u>7,689,658</u>
Net fixed assets	<u>\$ 6,516,656</u>	<u>\$ 1,660,951</u>	<u>\$ (716,915)</u>	<u>\$ 7,460,692</u>

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Depreciation was charged to the following functions:

Instruction		
Regular programs	\$	158,471
Special programs		50,473
Support services		
Students		11,316
Instructional staff		5,275
General administration		6,373
School administration		19,911
Business services		72,279
Central support services		3,340
Enterprise and community services		
Food services		13,862
Facilities acquisition and construction		
Building acquisition, construction, and improvement		2,219
	\$	343,519

Note 5. Changes in Long-Term Debt

The following represents changes in long-term liabilities. Current requirements for principal and interest expenditures for bonds are accounted for in the Debt Service Fund. Principal and interest expenditures for the capital leases are accounted for in the General Fund.

	Balance July 01, 2019	Issued/ Matured	Retired/ Paid	Balance June 30, 2020	Due in one year
Limited tax pensions bonds	\$ 2,526,102	\$ -	\$ 76,100	\$ 2,450,002	\$ -
Tax pension bond refunding	255,000	-	-	255,000	255,000
QSCB Bonds	435,000	-	200,000	235,000	-
QZAB Bonds	500,000	-	-	500,000	-
Blue Bird bus lease	118,421	-	22,462	95,959	23,057
Blue Bird bus lease	143,552	-	21,615	121,937	22,491
Chevy Micro Bird bus lease	67,315	-	10,154	57,161	10,558
Blue Bird bus lease	170,292	-	24,444	145,848	22,000
Total long-term debt	<u>\$ 4,215,682</u>	<u>\$ 0</u>	<u>\$ 354,775</u>	<u>\$ 3,860,907</u>	<u>\$ 333,106</u>

Interest expense of \$328,178 on long-term debt has been included in the direct expense of individual functions on the government-wide Statement of Activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the programs for which borrowing is related.

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Note 6. PERS UAL Bonds Payable

On October 9, 2003, the district issued \$4,551,352 in limited tax pension bonds to finance the unfunded pension liability to the Oregon Public Employees Retirement System. These bonds have interest rates that range from 2.06 to 5.55 percent. Interest payments are to be made semiannually on June 30 and December 30. Principal payments are to be made on June 30 of each year. Debt service is financed by a self-imposed pension expense based on a percentage of payroll costs. The debt service requirements to maturity on June 30, 2028 are as follows:

Fiscal Year Ended	Principal	Interest
2021	\$ -	\$ 135,597
2022	275,000	135,597
2023	310,000	120,527
2024	345,000	103,508
2025	385,000	42,180
2026-2028	<u>1,135,002</u>	<u>114,608</u>
	<u>\$ 2,450,002</u>	<u>\$ 652,017</u>

On September 26, 2011, the district participated in a partial redemption of the 2002 PERS Series B obligation bonds. The district's portion of the bond refinance was \$255,000 and was refinanced to cover a 10-year period beginning in the 2011-12 fiscal year. The refinanced bond is referred to as the 2011 PERS Series B. The agreement will reduce the PERS debt by \$72,662 over the duration of the bonds. The debt service requirements to maturity on June 30, 2021 are as follows:

Fiscal Year Ended	Principal	Interest
2021	<u>\$ 255,000</u>	<u>\$ 10,493</u>
TOTAL	<u>\$ 255,000</u>	<u>\$ 10,493</u>

Note 7. Qualified School Construction Bond

On July 1, 2010, the district issued a general obligation bond for \$690,000. This Qualified School Construction Bond helped finance the construction of a science lab and multi-purpose room at Grant Union High School and replaced single pane windows at Humbolt Elementary. This federally subsidized bond has a fixed rate of 5.19%. The federal government will pay the interest in full. Interest is due and payable December 15th and June 15th. These bonds are to be repaid with State School funds intercepted and deposited into an account held by Bank of New York Mellon and then distributed to investors at various dates. The funds are held in a restricted district account at the Bank of New York Mellon with a balance of \$154,693 as of June 30, 2020. The debt service requirements to maturity on June 15, 2025 are as follows:

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Fiscal Year Ended	Principal	Interest
2021	\$ -	\$ 12,926
2022	-	12,926
2023	-	12,926
2024	-	12,926
2025	235,000	12,926
TOTAL	<u>\$ 235,000</u>	<u>\$ 64,630</u>

Note 8. Qualified Zone Academy Bond

In October 2011, the district issued a Qualified Zone Academy Bond for \$500,000. The Qualified Zone Academy bond proceeds were used to purchase a highly efficient bio-mass boiler. This bond has a fixed rate of 0%. Required annual deposits of \$33,333 to a Public Funds time certificate of deposit held at Umpqua Bank were to begin October 19, 2012 and end October 19, 2026. These deposits are classified as restricted cash and will be used to pay the bond when it matures in 2027. As of June 30, 2020, the balance on deposit was \$239,057. The debt service requirements to maturity in October 2026 are as follows:

Fiscal Year Ended	Principal	Interest
2021	\$ -	\$ -
2022	-	-
2023	-	-
2024	-	-
2025	-	-
2026-2027	500,000	-
TOTAL	<u>\$ 500,000</u>	<u>\$ 0</u>

Note 9. Capital Lease Obligations

The district entered a capital lease in February 2017 for a Blue Bird bus with 7 annual payments of \$25,600 starting in July 2017, including interest at 2.48 percent through July 2023. Future minimum lease payments are as follows:

Fiscal Year Ended	Principal	Interest
2021	\$ 23,057	\$ 2,543
2022	23,668	1,932
2023	24,295	1,305
2024	24,938	662
TOTAL	<u>\$ 95,958</u>	<u>\$ 6,442</u>

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The district entered a capital lease in April 2018 for a Blue Bird bus with 7 annual payments of \$27,429 starting in July 2018, including interest at 4.05 percent through July 2024. Future minimum lease payments are as follows:

Fiscal Year Ended	Principal	Interest
2021	\$ 22,491	\$ 4,938
2022	23,401	4,028
2023	24,349	3,080
2024	25,335	2,094
2025	26,361	1,068
TOTAL	<u>\$ 121,937</u>	<u>\$ 15,208</u>

The district entered a capital lease in August 2018 for a Chevy Micro Bird bus with 7 annual payments of \$12,833 starting in March 2019, including interest at 3.98 percent through March 2025. Future minimum lease payments are as follows:

Fiscal Year Ended	Principal	Interest
2021	\$ 10,558	\$ 2,275
2022	10,978	1,855
2023	11,415	1,418
2024	11,869	964
2025	12,341	492
TOTAL	<u>\$ 57,161</u>	<u>\$ 7,004</u>

The district entered a capital lease in October 2018 for a Blue Bird bus with 7 annual payments of \$27,805 starting in July 2019, including interest at 3.98 percent through July 2025. Future minimum lease payments are as follows:

Fiscal Year Ended	Principal	Interest
2021	\$ 22,000	\$ 5,805
2022	22,876	4,929
2023	23,786	4,019
2024	24,733	3,072
2025	25,717	2,088
2026	26,735	1,070
TOTAL	<u>\$ 145,847</u>	<u>\$ 20,983</u>

Note 10. Operating Lease Obligations

The district leases certain property and equipment from others. Leased property not having elements of ownership is classified as an operating lease. Operating lease payments are recorded as expenditures when payable. Total expenditures on such leases for the fiscal year ended June 30, 2020 was \$10,921.

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As of June 30, 2020, the district had future minimum payments under operating leases as follows:

Fiscal Year Ended	Principal
2021	\$ 13,174
2022	13,174
2023	13,174
2024	13,174
2025	10,979
Total	<u>\$ 63,676</u>

Note 11. Interfund Transfers

Transfers between funds provide support for various district programs in accordance with budgetary authorizations.

A transfer of \$35,000 was made to the Special Projects Fund from the General Fund to support extra-curricular activities. A transfer of \$30,000 was made to the Technology and Curriculum Fund from the General Fund to support future upgrades. A transfer of \$50,000 was made to the Food Service Fund from the General Fund for the district's required price-equity match. A transfer of \$129,526 was made to the Debt Service Fund from the General Fund to fund current year and reserve requirements on debt. A transfer of \$100,000 was made to the Bus Reserve Fund from the General Fund to fund future bus purchases. A transfer of \$884,692 was made from the General Fund to the Capital Projects Fund to provide for capital projects. The detail of interfund transfers for the fiscal year ended June 30, 2020 is as follows:

Transfer To	Transfer From	Amount
Facilities Project Fund	General Fund	\$ 884,692
Nonmajor Funds	General Fund	316,508
	Total Transfers	<u>\$ 1,201,200</u>

Note 13. Pension Plan

Name of pension plan

The Oregon Public Employees Retirement System consists of a single cost-sharing multiple employer defined benefit pension plan.

Description of benefit terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

A. PERS Pension Chapter 238 (Tier One/Tier Two Retirement Benefit).

1. Pension Benefits

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The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members on or after August 29, 2003.

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

2. Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- member was employed by a PERS employer at the time of death,
- member died within 120 days after termination of PERS-covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

3. Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

4. Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

B. OPSRP Pension Program (OPSRP DB)

1. Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

3. Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

4. Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

C. OPSRP Individual Account Program (OPSRP IAP)

1. Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

2. Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

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3. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum unfunded actuarial liability payments to establish side accounts and their rates have been reduced.

Employer contributions for the year ended June 30, 2020 were \$609,532, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the district in effect for the fiscal year ended June 30, 2020 were:

<u>Rate Category</u>	<u>Normal Cost Rate</u>	<u>Combined UAL Rate</u>	<u>Net Rate</u>
PERS general services	13.79%	0.89%	14.68%
OPSRP general services	8.40%	0.89%	9.29%

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2020, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

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Actuarial Methods and Assumptions

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> Decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2017 employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not

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based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
District's proportionate share of the net pension liability (asset)	\$ 6,447,376	\$ 4,026,059	\$ 1,999,750

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the district reported a liability of \$4,026,059 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the district's proportion was .02327524 percent.

For the year ended June 30, 2020, the district recognized \$1,488,759 in pension expense. Pension expense includes district expense of \$756,755 related to 2019 district's proportionate

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share of system pension expense, self-imposed expense for PERS bond retirement of \$526,220, and employee contributions picked up by the district of \$205,784.

At June 30, 2020, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 222,025	\$ -
Changes in assumptions	546,181	-
Net difference between projected and actual earnings on pension plan investments	-	114,135
Changes in proportion and differences between District contributions and proportionate share of contributions	109,567	1,113,225
District contributions subsequent to the measurement date	516,758	-
Total	\$ 1,394,531	\$ 1,227,360

\$516,758 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as PERS expense in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Deferred outflow or (inflow) of Resources
2021	\$ 127,019
2022	(209,342)
2023	(145,848)
2024	(94,328)
2025	(27,088)
Thereafter	-
Total	\$ (349,587)

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Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2019 measurement date that would require a brief description under GASB 68.

Note 14. Other Post-Employment Benefits (OPEB) - RHIA

Plan Description

Organization

The Oregon Public Employees Retirement System administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Post-Employment Benefit (OPEB) plan (the plan) for political subdivisions such as the district. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the plan.

Plan Membership

RHIA was established by ORS 238.420. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Contribution

Contributions are mandatory for each employer that is a member of PERS. For the fiscal year ended June 30, 2020, the district's contribution rate was 0.06 percent of PERS subject to wages. Employees are not required to contribute to the plan.

Net OPEB Liability

The district's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017.

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Actuarial Methods and Assumptions

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount Rate	7.2 percent
Projected Salary Increases	3.5 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Healthy Annuitant, sex-distinct, generational with Unisex, Social Security Date Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2000 Healthy Annuitant, sex-distinct, generational with Unisex, Social Security Date Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale</p>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the OPEB Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 June 30, 2020

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at <http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

Sensitivity of the District’s Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

The following presents the district’s proportionate share of the net OPEB liability calculated using the discount rate of 7.20 percent, as well as what the district’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
District’s proportionate share of the net OPEB liability (asset)	\$ (38,026)	\$ (49,049)	\$ (568,442)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the district reported an asset of \$49,049 for its proportionate share of the net OPEB liability (asset). The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The district’s proportion of the net OPEB liability was based on a projection of the district’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the district’s proportion was .02538309 percent.

For the year ended June 30, 2020, the district recognized income of \$4,797. At June 30, 2020, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,468
Changes in assumptions	-	51
Net difference between projected and actual earnings on OPEB plan investments	-	3,028
Changes in proportion and differences between District contributions and proportionate share of contributions	3,790	197
Total	\$ 3,790	\$ 9,744

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Deferred outflow or (inflow) of Resources
2021	\$ (3,241)
2022	(2,636)
2023	(388)
2024	311
2025	-
Thereafter	-
Total	\$ (5,954)

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2019 measurement date that would require a brief description under GASB 68.

Note 15. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government and the state of Oregon. Any disallowed claims, including amounts already collected, may constitute a liability to the district. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although district management expects such amounts, if any, to be immaterial.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

The district is dependent on the state of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the state level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the district's future operations is not yet determinable.

Note 16. Tax Abatement Disclosures

The GASB issued Statement No. 77, Tax Abatement Disclosures in August 2015. GASB 77 requires governments that enter into tax abatement agreements to disclose information about those agreements. GASB Statement No. 77 is effective for the district for fiscal year ending June 30, 2017. The district did not have any tax abatements at June 30, 2020.

Note 17. Fund Balance Classification

Below is a schedule of the ending fund balance, based on GASB Statement No. 54 categories.

	100 General Fund	305 PERS Debt Service Fund	400 Facilities Project Fund	Nonmajor Funds	Total
Fund Balances:					
Restricted fund balance					
<u>Non-spendable:</u>					
	\$ 50,956	\$ -	\$ -	\$ 5,566	\$ 56,522
<u>Restricted:</u>					
Debt service	-	1,660,031	-	389,875	2,049,906
Education - grants	-	-	-	7,622	7,622
	<u>0</u>	<u>1,660,031</u>	<u>0</u>	<u>397,497</u>	<u>2,057,528</u>
Unrestricted fund balance					
<u>Committed To:</u>					
Special Projects	-	-	-	310,873	310,873
Capital outlay	121,000	-	-	486,208	607,208
	<u>121,000</u>	<u>0</u>	<u>0</u>	<u>797,081</u>	<u>918,081</u>
<u>Assigned to:</u>					
Capital outlay	-	-	1,642,221	-	1,642,221
<u>Unassigned:</u>	2,426,200	-	-	(113)	2,426,087
Total fund balances	<u>\$ 2,598,156</u>	<u>\$ 1,660,031</u>	<u>\$ 1,642,221</u>	<u>\$ 1,200,031</u>	<u>\$ 7,100,439</u>

Note 18. Prior Period Adjustment

A prior period adjustment was made to account for fiscal year 2018-19 expenditures paid out of the General Fund when they should have been paid out of the Title I and IDEA funds.

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REQUIRED SUPPLEMENTARY INFORMATION

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND
For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Taxes	\$ 596,632	\$ 582,000	\$ 582,000	\$ (14,632)
Local sources	407,816	98,000	98,000	(309,816)
Intermediate sources	950,313	929,789	929,789	(20,524)
State sources	6,026,736	6,297,604	6,297,604	270,868
Federal sources	437,386	465,869	465,869	28,483
Total revenues	<u>8,418,883</u>	<u>8,373,262</u>	<u>8,373,262</u>	<u>(45,621)</u>
Expenditures				
1000 Instruction	4,295,436	5,760,300	5,760,300	1,464,864
2000 Supporting services	2,832,514	3,897,682	3,897,682	1,065,168
4000 Facilities acquisition and const	162,710	183,900	183,900	21,190
Total expenditures	<u>7,290,660</u>	<u>9,841,882</u>	<u>9,841,882</u>	<u>2,551,222</u>
Excess of revenues over (under) expenditures	<u>1,128,223</u>	<u>(1,468,620)</u>	<u>(1,468,620)</u>	<u>(2,596,843)</u>
Other financing (uses)				
Transfers out	<u>(1,201,200)</u>	<u>(1,229,218)</u>	<u>(1,229,218)</u>	<u>(28,018)</u>
Total other financing (uses)	<u>(1,201,200)</u>	<u>(1,229,218)</u>	<u>(1,229,218)</u>	<u>(28,018)</u>
Net change in fund balance	(72,977)	(2,697,838)	(2,697,838)	(2,624,861)
Available fund balance, July 1	2,576,658	2,697,838	2,697,838	121,180
Prior period adjustment	43,519	-	-	(43,519)
Available fund balance, June 30	<u>\$ 2,547,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,547,200)</u>

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended
June 30, 2020

Budgetary Reporting

In accordance with Oregon Revised Statutes, the board of directors annually adopts a budget following required public notice and hearing for all funds except private purpose trust and agency funds. The budget may be amended during the year through statutorily prescribed procedures. The district's budget is prepared on the modified accrual or GAAP basis of accounting. Appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within each fund. The functions include: instruction, support services, enterprise and community services, facilities acquisition and construction, debt services, contingencies and transfers. The district did not adopt any budget amendments during the year as authorized by local budget law.

During the year ended June 30, 2020, disbursements in the General Fund were within certified budget amounts in all functions.

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (asset) (NPL/A)	(c) District covered payroll	(b/c) NPL/A as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.02327524%	\$ 4,026,059	\$ 3,482,724	115.60%	80.20%
2019	0.03003081%	\$ 4,549,272	\$ 3,265,420	139.32%	82.10%
2018	0.03479999%	\$ 4,691,052	\$ 3,525,641	133.06%	83.10%
2017	0.03201385%	\$ 4,806,022	\$ 3,409,771	140.95%	80.50%
2016	0.03243714%	\$ 1,862,366	\$ 3,281,019	56.76%	91.88%
2015	0.03790788%	\$ (859,263)	\$ 3,328,950	-25.81%	103.59%
2014	0.00032437%	\$ 260,629	\$ 3,328,950	7.83%	91.97%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SCHEDULE OF DISTRICT CONTRIBUTIONS
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District covered payroll	Contributions as a percent of covered payroll
2020	\$ 403,748	\$ 403,748	\$ -	\$ 3,739,068	10.80%
2019	\$ 408,835	\$ 408,835	\$ -	\$ 3,482,724	11.74%
2018	\$ 370,915	\$ 370,915	\$ -	\$ 3,265,420	11.36%
2017	\$ 230,395	\$ 230,395	\$ -	\$ 3,525,641	6.53%
2016	\$ 343,403	\$ 343,403	\$ -	\$ 3,409,771	10.07%
2015	\$ 320,416	\$ 320,416	\$ -	\$ 3,281,019	9.77%
2014	\$ 288,697	\$ 288,697	\$ -	\$ 3,328,950	8.67%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
RETIREE HEALTH INSURANCE ACCOUNT PERS
Last 10 Fiscal Years*

Year Ended, June 30,	(a) Employer's proportion of the net OPEB liability (NPL)	(b) Employer's proportionate share of the net OPEB liability (asset) (NPL/A)	(c) District covered payroll	(b/c) NPL/A as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.02538309%	\$ (49,049)	\$ 3,482,724	-1.41%	64.90%
2019	0.03194224%	\$ (35,656)	\$ 3,265,420	-1.09%	123.99%
2018	0.03417344%	\$ (14,262)	\$ 3,525,641	-0.40%	108.90%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SCHEDULE OF DISTRICT CONTRIBUTIONS
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District covered payroll	Contributions as a percent of covered payroll
2020	\$ 12,594	\$ 12,594	\$ -	\$ 3,739,068	0.34%
2019	\$ 14,864	\$ 14,864	\$ -	\$ 3,482,724	0.43%
2018	\$ 14,012	\$ 14,012	\$ -	\$ 3,265,420	0.43%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

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SUPPLEMENTARY SCHEDULES

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 305 PERS DEBT SERVICE FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1500 Investment earnings	\$ (1,323)	\$ 500	\$ 500	\$ 1,823
1970 Services provided other funds	526,219	569,833	569,833	43,614
Total revenues	<u>524,896</u>	<u>570,333</u>	<u>570,333</u>	<u>45,437</u>
Expenditures				
5100 Debt service				
5110 Long-term debt service				
600 Other objects	362,492	351,090	351,090	(11,402)
Total expenditures	<u>362,492</u>	<u>351,090</u>	<u>351,090</u>	<u>(11,402)</u>
Excess of revenues over (under) expenditures and net change in fund balance	162,404	219,243	219,243	56,839
Available fund balance, July 1	<u>1,497,627</u>	<u>1,339,357</u>	<u>1,339,357</u>	<u>(158,270)</u>
Available fund balance, June 30	<u>\$ 1,660,031</u>	<u>\$ 1,558,600</u>	<u>\$ 1,558,600</u>	<u>\$ (101,431)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 400 FACILITIES PROJECT FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3299 Restricted state grants	\$ 1,161,231	\$ 870,000	\$ 870,000	\$ (291,231)
Total revenues	<u>1,161,231</u>	<u>870,000</u>	<u>870,000</u>	<u>(291,231)</u>
Expenditures				
4000 Facilities acquisition and construction				
4150 Bldg acq, const, and imp				
500 Capital outlay	<u>981,535</u>	<u>2,004,692</u>	<u>2,004,692</u>	<u>1,023,157</u>
Total expenditures	<u>981,535</u>	<u>2,004,692</u>	<u>2,004,692</u>	<u>1,023,157</u>
Excess of revenues over (under) expenditures	<u>179,696</u>	<u>(1,134,692)</u>	<u>(1,134,692)</u>	<u>(1,314,388)</u>
Other financing (uses)				
Transfers in	<u>884,692</u>	<u>884,692</u>	<u>884,692</u>	<u>-</u>
Total other financing (uses)	<u>884,692</u>	<u>884,692</u>	<u>884,692</u>	<u>0</u>
Net change in fund balance	1,064,388	(250,000)	(250,000)	(1,314,388)
Available fund balance, July 1	<u>577,833</u>	<u>250,000</u>	<u>250,000</u>	<u>(327,833)</u>
Available fund balance, June 30	<u>\$ 1,642,221</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,642,221)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Local sources				
1110 Taxes	\$ 596,632	\$ 582,000	\$ 582,000	\$ (14,632)
1300 Tuition	-	2,000	2,000	2,000
1510 Interest on investments	124,724	60,000	60,000	(64,724)
1910 Rentals	10,225	6,000	6,000	(4,225)
1920 Donations	16,306	10,000	10,000	(6,306)
1990 Miscellaneous income	256,561	20,000	20,000	(236,561)
Total local sources	<u>1,004,448</u>	<u>680,000</u>	<u>680,000</u>	<u>(324,448)</u>
Intermediate sources				
2101 County school fund	-	6,000	6,000	6,000
2102 ESD apportionment	950,313	692,662	692,662	(257,651)
2199 Other intermediate sources	-	231,127	231,127	231,127
Total intermediate sources	<u>950,313</u>	<u>929,789</u>	<u>929,789</u>	<u>(20,524)</u>
State sources				
3101 Basic school support	5,665,276	5,938,790	5,938,790	273,514
3103 Common school fund	43,467	55,951	55,951	12,484
3199 Other unrestricted grants-in-aid	120,194	65,000	65,000	(55,194)
3299 Other restricted state grants	197,799	237,863	237,863	40,064
Total state sources	<u>6,026,736</u>	<u>6,297,604</u>	<u>6,297,604</u>	<u>270,868</u>
Federal sources				
4500 Restricted revenue through state	42,276	61,198	61,198	18,922
4801 Federal forest fees	395,110	404,671	404,671	9,561
Total federal sources	<u>437,386</u>	<u>465,869</u>	<u>465,869</u>	<u>28,483</u>
Total revenues	<u>8,418,883</u>	<u>8,373,262</u>	<u>8,373,262</u>	<u>(45,621)</u>
Expenditures				
1000 Instruction				
100 Salaries	2,465,739	3,004,075	3,004,075	538,336
200 Associated payroll costs	1,656,754	2,258,861	2,258,861	602,107
300 Purchased services	88,551	242,574	242,574	154,023
400 Supplies and materials	69,286	232,740	232,740	163,454
600 Other objects	15,106	22,050	22,050	6,944
Total instruction	<u>4,295,436</u>	<u>5,760,300</u>	<u>5,760,300</u>	<u>1,464,864</u>

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
2000 Support services				
100 Salaries	\$ 1,063,910	\$ 1,142,886	\$ 1,142,886	\$ 78,976
200 Associated payroll costs	721,333	965,868	965,868	244,535
300 Purchased services	472,223	778,980	778,980	306,757
400 Supplies and materials	269,563	482,567	482,567	213,004
500 Capital outlay	207,906	393,011	393,011	185,105
600 Other objects	97,579	134,370	134,370	36,791
Total support services	<u>2,832,514</u>	<u>3,897,682</u>	<u>3,897,682</u>	<u>1,065,168</u>
4000 Facilities acquisition and construction				
300 Purchased services	162,710	177,900	177,900	15,190
500 Capital outlay	-	6,000	6,000	6,000
Total facilities acquisition and construction	<u>162,710</u>	<u>183,900</u>	<u>183,900</u>	<u>21,190</u>
Total expenditures	<u>7,290,660</u>	<u>9,841,882</u>	<u>9,841,882</u>	<u>2,551,222</u>
Excess of revenues over (under) expenditures	<u>1,128,223</u>	<u>(1,468,620)</u>	<u>(1,468,620)</u>	<u>(2,596,843)</u>
Other financing sources (uses)				
Transfers out	<u>(1,201,200)</u>	<u>(1,229,218)</u>	<u>(1,229,218)</u>	<u>(28,018)</u>
Total other financing sources	<u>(1,201,200)</u>	<u>(1,229,218)</u>	<u>(1,229,218)</u>	<u>(28,018)</u>
Net change in fund balance	(72,977)	(2,697,838)	(2,697,838)	(2,624,861)
Available fund balance, July 1	2,576,658	2,697,838	2,697,838	121,180
Prior period adjustment	43,519	-	-	(43,519)
Available fund balance, June 30	2,547,200	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,547,200)</u>
Reconciliation to GAAP:				
Inventory	<u>50,956</u>			
GAAP fund balance	<u>\$ 2,598,156</u>			

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	208 Special Projects	209 Technology and Curriculum	210 Bus Replacement	216 CTE
ASSETS				
Cash and investments	\$ 268,076	\$ 140,000	\$ 346,208	\$ -
Accounts receivable	-	-	-	-
Inventory	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 268,076</u>	<u>\$ 140,000</u>	<u>\$ 346,208</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Comitted	268,076	140,000	346,208	-
Unassigned	-	-	-	-
Total fund balance	<u>268,076</u>	<u>140,000</u>	<u>346,208</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 268,076</u>	<u>\$ 140,000</u>	<u>\$ 346,208</u>	<u>\$ 0</u>

<u>240 Title I</u>	<u>243 Medicaid Grant</u>	<u>253 School Lunch</u>	<u>260 IDEA</u>	<u>301 Debt Service</u>	<u>Totals June 30, 2020</u>
\$ 5,772	\$ 43,527	\$ 12,425	\$ 8,481	\$ 94,703	\$ 919,192
11,423	-	-	-	11,462	22,885
-	-	5,566	-	-	5,566
-	-	-	-	283,710	283,710
<u>\$ 17,195</u>	<u>\$ 43,527</u>	<u>\$ 17,991</u>	<u>\$ 8,481</u>	<u>\$ 389,875</u>	<u>\$ 1,231,353</u>
\$ 882	\$ -	\$ 5,936	\$ -	\$ -	\$ 6,818
8,691	730	6,489	8,594	-	24,504
<u>9,573</u>	<u>730</u>	<u>12,425</u>	<u>8,594</u>	<u>0</u>	<u>31,322</u>
-	-	5,566	-	-	5,566
7,622	-	-	-	389,875	397,497
-	42,797	-	-	-	797,081
-	-	-	(113)	-	(113)
<u>7,622</u>	<u>42,797</u>	<u>5,566</u>	<u>(113)</u>	<u>389,875</u>	<u>1,200,031</u>
<u>\$ 17,195</u>	<u>\$ 43,527</u>	<u>\$ 17,991</u>	<u>\$ 8,481</u>	<u>\$ 389,875</u>	<u>\$ 1,231,353</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended
June 30, 2020

	208 Special Projects	209 Technology and Curriculum	210 Bus Replacement	216 CTE
Revenues				
Local sources	\$ 224,295	\$ -	\$ -	\$ -
State sources	-	-	72,448	137,784
Federal sources	-	-	-	-
Total revenues	<u>224,295</u>	<u>0</u>	<u>72,448</u>	<u>137,784</u>
Expenditures				
Instruction				
Regular programs	5,450	-	-	102,599
Special programs	-	-	-	-
Adult/continuing education programs	168,266	-	-	-
Support services				
Students	61,358	-	-	-
Business	-	-	93,667	-
Food services	-	-	-	-
Facilities acquisition and construction	-	-	-	35,185
Debt service	-	-	-	-
Total expenditures	<u>235,074</u>	<u>0</u>	<u>93,667</u>	<u>137,784</u>
Excess of revenues over (under) expenditures	<u>(10,779)</u>	<u>0</u>	<u>(21,219)</u>	<u>0</u>
Other financing sources				
Transfers in	<u>35,000</u>	<u>30,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>35,000</u>	<u>30,000</u>	<u>100,000</u>	<u>0</u>
Net change in fund balance	24,221	30,000	78,781	0
Prior period adjustment	-	-	-	-
Available fund balance, July 1	<u>243,855</u>	<u>110,000</u>	<u>267,427</u>	<u>-</u>
Available fund balance, June 30	<u>\$ 268,076</u>	<u>\$ 140,000</u>	<u>\$ 346,208</u>	<u>\$ 0</u>

240 Title I	243 Medicaid Grant	253 School Lunch	260 IDEA	301 Debt Service	Totals June 30, 2020
\$ -	\$ 2,379	\$ 60,774	\$ -	\$ 20,701	\$ 308,149
-	-	4,064	-	-	214,296
234,001	-	185,723	128,710	22,925	571,359
<u>234,001</u>	<u>2,379</u>	<u>250,561</u>	<u>128,710</u>	<u>43,626</u>	<u>1,093,804</u>
-	-	-	-	-	108,049
191,534	-	-	120,149	-	311,683
-	-	-	-	-	168,266
-	-	-	-	-	61,358
-	24,316	-	-	-	117,983
-	-	331,034	-	-	331,034
-	-	-	-	-	35,185
-	-	-	-	222,925	222,925
<u>191,534</u>	<u>24,316</u>	<u>331,034</u>	<u>120,149</u>	<u>222,925</u>	<u>1,356,483</u>
<u>42,467</u>	<u>(21,937)</u>	<u>(80,473)</u>	<u>8,561</u>	<u>(179,299)</u>	<u>(262,679)</u>
-	-	21,982	-	129,526	316,508
<u>0</u>	<u>0</u>	<u>21,982</u>	<u>0</u>	<u>129,526</u>	<u>316,508</u>
42,467	(21,937)	(58,491)	8,561	(49,773)	53,829
(34,845)	-	-	(8,674)	-	(43,519)
-	64,734	64,057	-	439,648	1,189,721
<u>\$ 7,622</u>	<u>\$ 42,797</u>	<u>\$ 5,566</u>	<u>\$ (113)</u>	<u>\$ 389,875</u>	<u>\$ 1,200,031</u>

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 208 SPECIAL PROJECTS FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1760 Club fund raising	\$ 209,157	\$ 517,000	\$ 517,000	\$ 307,843
1920 Donations	15,138	28,000	28,000	12,862
Total revenues	<u>224,295</u>	<u>545,000</u>	<u>545,000</u>	<u>320,705</u>
Expenditures				
1000 Instruction				
1111 Elementary, K-5 or K-6				
400 Supplies and materials	5,450	60,000	60,000	54,550
1131 High school programs				
300 Purchased services	15,222	123,000	123,000	107,778
1132 High school extracurricular				
400 Supplies and materials	153,044	450,000	450,000	296,956
Total instruction	<u>173,716</u>	<u>633,000</u>	<u>633,000</u>	<u>459,284</u>
2000 Support services				
2120 Guidance services				
400 Supplies and materials	61,358	238,000	238,000	176,642
2540 Operation and maintenance of plant services				
400 Supplies and materials	-	2,000	2,000	2,000
2543 Care and upkeep of grounds services				
300 Purchased services	-	5,000	5,000	5,000
Total support services	<u>61,358</u>	<u>245,000</u>	<u>245,000</u>	<u>183,642</u>
Total expenditures	<u>235,074</u>	<u>878,000</u>	<u>878,000</u>	<u>642,926</u>
Excess of revenues over (under) expenditures	<u>(10,779)</u>	<u>(333,000)</u>	<u>(333,000)</u>	<u>(322,221)</u>
Other financing sources				
Transfers in	35,000	35,000	35,000	-
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Net change in fund balance	24,221	(298,000)	(298,000)	(322,221)
Available fund balance, July 1	<u>243,855</u>	<u>298,000</u>	<u>298,000</u>	<u>54,145</u>
Available fund balance, June 30	<u>\$ 268,076</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (268,076)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 209 TECHNOLOGY AND CURRICULUM FUND
For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1990 Miscellaneous income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
2000 Support services				
2660 Technology services				
400 Supplies and materials	-	120,000	120,000	120,000
Total support services	<u>0</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Total expenditures	<u>0</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>
Other financing sources				
Transfers in	30,000	30,000	30,000	-
Total other financing sources	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Net change in fund balance	30,000	(90,000)	(90,000)	(120,000)
Available fund balance, July 1	<u>110,000</u>	<u>90,000</u>	<u>90,000</u>	<u>(20,000)</u>
Available fund balance, June 30	<u>\$ 140,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (140,000)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 210 BUS REPLACEMENT FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3222 State school fund transportation	\$ 72,448	\$ 82,928	\$ 82,928	\$ 10,480
Total revenues	<u>72,448</u>	<u>82,928</u>	<u>82,928</u>	<u>10,480</u>
Expenditures				
2000 Support services				
2554 Bus replacement				
500 Capital outlay	78,675	93,667	93,667	14,992
600 Other objects	<u>14,992</u>	<u>8,000</u>	<u>8,000</u>	<u>(6,992)</u>
Total support services	<u>93,667</u>	<u>101,667</u>	<u>101,667</u>	<u>8,000</u>
Total expenditures	<u>93,667</u>	<u>101,667</u>	<u>101,667</u>	<u>8,000</u>
Excess of revenues over (under) expenditures	<u>(21,219)</u>	<u>(18,739)</u>	<u>(18,739)</u>	<u>2,480</u>
Other financing sources				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net change in fund balance	78,781	81,261	81,261	2,480
Available fund balance, July 1	<u>267,427</u>	<u>129,184</u>	<u>129,184</u>	<u>(138,243)</u>
Available fund balance, June 30	<u>\$ 346,208</u>	<u>\$ 210,445</u>	<u>\$ 210,445</u>	<u>\$ (135,763)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 216 CTE GRANT FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3299 Restricted state grant	\$ 137,784	\$ -	\$ 164,089	\$ 26,305
Total revenues	<u>137,784</u>	<u>0</u>	<u>164,089</u>	<u>26,305</u>
Expenditures				
1000 Instruction				
1131 High school programs				
100 Salaries	39,050	-	43,751	4,701
200 Associated payroll costs	27,473	-	10,624	(16,849)
300 Purchased services	9,684	-	21,000	11,316
400 Supplies and materials	632	-	3,300	2,668
500 Capital outlay	<u>25,760</u>	<u>-</u>	<u>26,000</u>	<u>240</u>
Total instruction	<u>102,599</u>	<u>0</u>	<u>104,675</u>	<u>2,076</u>
2000 Support services				
2210 Improvement of instruction services				
200 Associated payroll costs	-	-	5,000	5,000
2240 Instruction staff development				
300 Purchased services	-	-	2,700	2,700
600 Other objects	-	-	300	300
2320 Executive administration services				
100 Salaries	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>3,500</u>
Total support services	<u>0</u>	<u>0</u>	<u>11,500</u>	<u>11,500</u>
4000 Facilities acquisition and construction				
4155 Bldg acq, const, and imp svcs				
300 Purchased services	<u>35,185</u>	<u>-</u>	<u>47,914</u>	<u>12,729</u>
Total facilities acquisition and construction	<u>35,185</u>	<u>0</u>	<u>47,914</u>	<u>12,729</u>
Total expenditures	<u>137,784</u>	<u>0</u>	<u>164,089</u>	<u>26,305</u>
Excess of revenues over (under) expenditures and net change in fund balance	0	0	0	0
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available fund balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 240 TITLE I FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 234,001	\$ 276,161	\$ 276,161	\$ 42,160
Total revenues	<u>234,001</u>	<u>276,161</u>	<u>276,161</u>	<u>42,160</u>
Expenditures				
1000 Instruction				
1272 Title I/AD				
100 Salaries	90,283	115,867	115,867	25,584
200 Associated payroll costs	64,064	119,997	119,997	55,933
300 Purchased services	16	11,000	11,000	10,984
400 Supplies and materials	37,171	31,000	31,000	(6,171)
Total support services	<u>191,534</u>	<u>277,864</u>	<u>277,864</u>	<u>86,330</u>
Total expenditures	<u>191,534</u>	<u>277,864</u>	<u>277,864</u>	<u>86,330</u>
Excess of revenues over (under) expenditures and net change in fund balance	42,467	(1,703)	(1,703)	(44,170)
Available fund balance, July 1	-	1,703	1,703	1,703
Prior period adjustment	<u>(34,845)</u>	-	-	<u>34,845</u>
Available fund balance, June 30	<u>\$ 7,622</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,622)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 243 MEDICAID GRANT FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1990 Miscellaneous	\$ 2,379	\$ 41,000	\$ 41,000	\$ 38,621
Total revenues	<u>2,379</u>	<u>41,000</u>	<u>41,000</u>	<u>38,621</u>
Expenditures				
2000 Support services				
2550 Student transportation				
100 Salaries	13,983	14,071	14,071	88
200 Associated payroll costs	7,753	10,153	10,153	2,400
300 Purchased services	235	2,500	2,500	2,265
400 Supplies and materials	2,105	1,200	1,200	(905)
600 Other objects	240	600	600	360
Total support services	<u>24,316</u>	<u>28,524</u>	<u>28,524</u>	<u>4,208</u>
4000 Facilities acquisition and construction				
4150 Bldg acq, const, and imp svcs				
500 Capital outlay	-	81,241	81,241	81,241
Total facilities acquisition and construction	<u>0</u>	<u>81,241</u>	<u>81,241</u>	<u>81,241</u>
Total expenditures	<u>24,316</u>	<u>109,765</u>	<u>109,765</u>	<u>85,449</u>
Excess of revenues over (under) expenditures and net change in fund balance	(21,937)	(68,765)	(68,765)	(46,828)
Available fund balance, July 1	<u>64,734</u>	<u>68,765</u>	<u>68,765</u>	<u>4,031</u>
Available fund balance, June 30	<u>\$ 42,797</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (42,797)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 253 SCHOOL LUNCH FUND
For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1660 Food service	\$ 60,774	\$ 88,111	\$ 88,111	\$ 27,337
3299 State grant	4,064	6,400	6,400	2,336
4500 Restricted federal revenue	162,827	160,000	160,000	(2,827)
4900 Commodities received	22,896	25,000	25,000	2,104
Total revenues	250,561	279,511	279,511	28,950
Expenditures				
3000 Enterprise and community services				
3100 Food services				
100 Salaries	92,351	89,588	89,588	(2,763)
200 Associated payroll costs	69,137	96,899	96,899	27,762
300 Purchased services	12,477	15,550	15,550	3,073
400 Supplies and materials	157,050	208,500	208,500	51,450
500 Capital outlay	-	15,000	15,000	15,000
600 Other objects	1,850	4,500	4,500	2,650
Total enterprise and community services	332,865	430,037	430,037	97,172
Total expenditures	332,865	430,037	430,037	97,172
Excess of revenues over (under) expenditures	(82,304)	(150,526)	(150,526)	(68,222)
Other financing sources				
Transfers in	21,982	95,000	95,000	73,018
Total other financing sources	21,982	95,000	95,000	73,018
Net change in fund balance	(60,322)	(55,526)	(55,526)	4,796
Available fund balance, July 1	60,322	55,526	55,526	(4,796)
Available fund balance, June 30	-	\$ 0	\$ 0	\$ 0
Reconcile to GAAP basis:				
Inventory	5,566			
	<u>\$ 5,566</u>			

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 260 IDEA FUND

For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 128,710	\$ 123,901	\$ 123,901	\$ (4,809)
Total revenues	<u>128,710</u>	<u>123,901</u>	<u>123,901</u>	<u>(4,809)</u>
Expenditures				
1000 Instruction				
1250 Less restrictive programs				
100 Salaries	67,506	66,847	66,847	(659)
200 Associated payroll costs	52,517	59,039	59,039	6,522
300 Purchased services	-	400	400	400
400 Supplies and materials	126	801	801	675
Total instruction	<u>120,149</u>	<u>127,087</u>	<u>127,087</u>	<u>6,938</u>
Total expenditures	<u>120,149</u>	<u>127,087</u>	<u>127,087</u>	<u>6,938</u>
Excess of revenues over (under) expenditures and net change in fund balance	8,561	(3,186)	(3,186)	(11,747)
Available fund balance, July 1	-	3,186	3,186	3,186
Prior period adjustment	<u>(8,674)</u>	-	-	<u>8,674</u>
Available fund balance, June 30	<u>\$ (113)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 113</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 301 DEBT SERVICE FUND
For the Year Ended
June 30, 2020

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1510 Interest on investments	\$ 20,701	\$ 542	\$ 542	\$ (20,159)
4300 Restricted federal revenue	22,925	22,925	22,925	-
Total revenues	<u>43,626</u>	<u>23,467</u>	<u>23,467</u>	<u>(20,159)</u>
Expenditures				
5000 Debt service				
5110 Bond payment				
600 Other objects	222,925	27,699	27,699	(195,226)
Total debt service	<u>222,925</u>	<u>27,699</u>	<u>27,699</u>	<u>(195,226)</u>
Total expenditures	<u>222,925</u>	<u>27,699</u>	<u>27,699</u>	<u>(195,226)</u>
Excess of revenues over (under) expenditures	<u>(179,299)</u>	<u>(4,232)</u>	<u>(4,232)</u>	<u>175,067</u>
Other financing sources				
Transfers in	129,526	139,564	139,564	10,038
Total other financing sources	<u>129,526</u>	<u>139,564</u>	<u>139,564</u>	<u>10,038</u>
Net change in fund balance	(49,773)	135,332	135,332	185,105
Available fund balance, July 1	<u>439,648</u>	<u>252,004</u>	<u>252,004</u>	<u>(187,644)</u>
Available fund balance, June 30	<u>\$ 389,875</u>	<u>\$ 387,336</u>	<u>\$ 387,336</u>	<u>\$ (2,539)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - 100 GENERAL FUND
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
1000 Instruction			
1111 Primary, K-3	\$ 973,641	\$ 659,847	\$ 7,623
1121 Middle and junior high programs	282,398	174,120	-
1122 Middle and junior high school extracurricular	20,074	10,524	-
1131 High school programs	649,631	390,586	2,059
1132 High school extracurricular	120,871	48,116	15,147
1140 Pre-kindergarten programs	-	-	-
1210 Programs for talented and gifted	-	-	-
1250 Resource rooms	381,919	345,907	40,807
1271 Remediation	340	36	-
1283 Alternative education	19,106	16,083	22,890
1291 English second language programs	17,759	11,535	25
Total 1000 instruction	<u>2,465,739</u>	<u>1,656,754</u>	<u>88,551</u>
2000 Support services			
2115 Student safety	-	-	45,000
2120 Guidance services	3,238	(1,757)	-
2130 Health services	-	-	-
2190 Student direction support	78,586	51,031	3,053
2210 Improvement of instruction	-	10,000	9,063
2220 Educational media	19,395	21,479	-
2240 Instructional staff development	-	-	148
2310 Board of education	-	-	23,590
2320 Executive administration	62,724	37,758	7,759
2410 Office of the principal	244,291	160,815	47,738
2520 Fiscal services	90,670	52,435	4,306
2528 Risk management services	-	-	-
2529 Other fiscal services	-	771	-
2540 Operation and maintenance of plant	178,024	125,878	236,423
2545 Maintenance	-	-	-
2550 Student transportation	312,224	198,676	91,049
2555 Co-curricular transportation	47,421	40,331	4,094
2558 Special education transportation	21,737	20,749	-
2620 Planning, research, development, and evaluation	-	-	-
2660 Technology services	5,600	3,167	-
Total 2000 support services	<u>1,063,910</u>	<u>721,333</u>	<u>472,223</u>

(Continued on next page)

400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ 19,824	\$ -	\$ -	\$ 1,660,935	\$ 2,072,126	\$ 2,072,126	\$ 411,191
6,899	-	236	463,653	618,296	618,296	154,643
-	-	-	30,598	84,106	84,106	53,508
29,828	-	2,168	1,074,272	1,332,230	1,332,230	257,958
1,704	-	12,262	198,100	359,377	359,377	161,277
-	-	-	-	7,000	7,000	7,000
306	-	-	306	2,000	2,000	1,694
9,644	-	440	778,717	988,341	988,341	209,624
-	-	-	376	105,826	105,826	105,450
1,081	-	-	59,160	156,026	156,026	96,866
-	-	-	29,319	34,972	34,972	5,653
<u>69,286</u>	<u>0</u>	<u>15,106</u>	<u>4,295,436</u>	<u>5,760,300</u>	<u>5,760,300</u>	<u>1,464,864</u>
-	-	-	45,000	45,000	45,000	-
429	-	-	1,910	45,364	45,364	43,454
119	-	-	119	1,200	1,200	1,081
295	-	169	133,134	146,385	146,385	13,251
62,807	-	-	81,870	131,300	131,300	49,430
3,881	-	-	44,755	58,992	58,992	14,237
-	-	-	148	13,650	13,650	13,502
1,804	-	8,599	33,993	66,930	66,930	32,937
3,580	-	1,895	113,716	132,150	132,150	18,434
4,521	-	1,658	459,023	499,463	499,463	40,440
4,356	-	6,200	157,967	198,443	198,443	40,476
-	-	13,912	13,912	22,400	22,400	8,488
-	-	400	1,171	49,100	49,100	47,929
41,118	207,906	49,331	838,680	1,312,111	1,312,111	473,431
-	-	-	-	3,600	3,600	3,600
61,253	-	15,415	678,617	839,539	839,539	160,922
9,098	-	-	100,944	88,879	88,879	(12,065)
4,392	-	-	46,878	77,141	77,141	30,263
-	-	-	-	11,000	11,000	11,000
71,910	-	-	80,677	155,035	155,035	74,358
<u>269,563</u>	<u>207,906</u>	<u>97,579</u>	<u>2,832,514</u>	<u>3,897,682</u>	<u>3,897,682</u>	<u>1,065,168</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended
June 30, 2020

Function	100 <u>Salaries</u>	200 <u>Associated Payroll Costs</u>	300 <u>Purchased Services</u>
4000 Facilities acquisition and construction			
4120 Site acquisition and development services	\$ -	\$ -	\$ -
4150 Building acquisition, construction, and improvement	-	-	<u>162,710</u>
Total 4000 facilities acquisition and construction	<u>0</u>	<u>0</u>	<u>162,710</u>
Total expenditures	<u>\$ 3,529,649</u>	<u>\$ 2,378,087</u>	<u>\$ 723,484</u>

400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	\$ 6,000
-	-	-	162,710	177,900	177,900	15,190
0	0	0	162,710	183,900	183,900	21,190
<u>\$ 338,849</u>	<u>\$ 207,906</u>	<u>\$ 112,685</u>	<u>\$ 7,290,660</u>	<u>\$ 9,841,882</u>	<u>\$ 9,841,882</u>	<u>\$ (2,551,222)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass Through Organization</u>	<u>Federal CFDA Number</u>	<u>Grant Award Number</u>	<u>Period Covered</u>	<u>2020 Expenditures</u>
U.S. Treasury Department					
Direct Program					
QSCB Interest Direct Payment	US Treasury Dept	na	na	na	\$ 22,925
Total U.S. Treasury Department					<u>22,925</u>
U.S. Department of Agriculture					
<u>Child Nutrition Cluster</u>					
National School Lunch Program, School Breakfast	Or Dept of Education	10.553	1207001	7/1/19-6/30/20	46,182
National School Lunch Program, Sec 4 and 11	Or Dept of Education	10.555	1207001	7/1/19-6/30/20	116,645
Child Nutrition Programs - Commodity Distribution	Or Dept of Education	10.555	1207001	7/1/19-6/30/20	<u>22,896</u>
Total Child Nutrition Cluster					<u>185,723</u>
Schools and Roads - Grants to Counties	Grant County, Oregon	10.666	na	na	<u>395,110</u>
Total Forest Service Schools and Roads Cluster					<u>395,110</u>
Total Department of Agriculture					<u>580,833</u>
U.S. Department of Education					
Title IA - Low Income	Or Dept of Education	84.010	53291	7/1/19-9/30/20	177,371
<u>Special Education Cluster</u>					
Special Education - Grants to States	Or Dept of Education	84.027	54178	7/1/19-9/30/20	10,265
Special Education - Grants to States	Grant County ESD	84.027	49983	7/1/18-9/30/20	<u>118,445</u>
Total Special Education Cluster					<u>128,710</u>
Rehab Svcs Vocational Rehabilitation to States	Or Employment Dept	84.126	154907	7/1/19-6/30/21	42,276
Supporting Effective Instruction State Grants	Or Dept of Education	84.367	53553	7/1/19-9/30/20	44,155
Student Support and Academic Enrichment Program	Or Dept of Education	84.424	54543	7/1/18-9/30/20	<u>12,476</u>
Total U.S. Department of Education					<u>404,988</u>
Total Federal Assistance					<u>\$ 1,008,746</u>

See accompanying notes to schedule of expenditures of federal awards

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Purpose of the schedule

The accompanying schedule of expenditures of federal awards (SEFA) is a supplementary schedule to the district financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the district, it is not intended to and does not present the financial position or changes in fund balances of the district.

Significant accounting policies

Basis of presentation

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal financial assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Federal forest fees are considered federal revenue and are included on the Schedule of Expenditures of Federal Awards. However, there are no applicable compliance requirements once these funds are passed to the district. Based on guidance from the oversight agency, Oregon Department of Education, a single audit has not been completed because the total federal revenues, not including forest fees, are less than \$750,000.

Reporting entity

The reporting entity is fully described in the notes to financial statements. The schedule includes all federal programs administered by the district for the year ended June 30, 2020.

Revenue and expenditure recognition

The receipt and expenditure of federal awards are accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are recorded when a liability is incurred.

Indirect Cost Rate

The district has not elected to use the 10% de minimis indirect cost rate.

Subrecipients

The district did not pass any federal funds to subrecipients during the year ended June 30, 2020.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the Year Ended
June 30, 2020

2019-20 Assessed valuation of taxable property	\$383,912,261
Tax rate (Dollars per \$1,000 assessed value)	\$1.6468

Ratio of annual debt service requirements for bonded debt to total General Fund Expenditures and Transfers:

	<u>Principal</u>	<u>Interest</u>	<u>Total Bonded Debt Service</u>	<u>General Fund Expenditures and Transfers</u>	<u>Ratio of Debt Service to General Fund Expenditures and Transfers</u>
2019-20	\$ 76,100	\$ 289,990	\$ 366,090	\$ 8,491,859	4.31%

Ratio of Net Bonded Debt to Assessed Value:

	<u>Assessed Valuation</u>	<u>Net Bonded Debt (1)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
2019-20	\$ 383,912,261	\$ 1,390,096	0.36%

1) Computed as gross bonded debt less amount available for retirement of debt in Debt Service Fund

Principal Taxpayers for Grant School District No. 3

	<u>Assessed Valuation</u>	<u>Percent of Total County Value</u>
<u>Private Enterprises</u>		
CenturyLink	\$ 11,612,000	3.02%
Malheur Lumber Co.	10,665,391	2.78%
Silvies Valley Ranch LLC	9,622,935	2.51%
Oregon Telephone Corp.	7,678,000	2.00%
Gene Powell	4,849,093	1.26%
John Conley	2,573,425	0.67%
Valley View Holding Co, LLC	2,257,019	0.59%
Double R Ranch LLC	2,153,823	0.56%
IZ Ranch, LLC	1,957,229	0.51%
JC Oliver, Inc.	1,471,344	0.38%
<u>All other taxpayers</u>	<u>329,072,002</u>	<u>85.71%</u>
Total	<u><u>\$ 383,912,261</u></u>	<u><u>100.00%</u></u>

Continued on next page

GRANT SCHOOL DISTRICT NO. 3
 Canyon City, Grant County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
 For the Year Ended
 June 30, 2020

Summary of General Fund State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2019-20	\$ 5,665,276	67.29%	\$ 8,418,883

Computation of Legal Debt Margin:

Real Market Value	\$ 748,852,140
Allowable proportion	0.0795
	59,533,745
Debt limit: 7.95% of real market value (1)	
Amount of debt applicable to debt limit:	
Bonded debt	3,440,002
Less: amount available in debt service funds	(2,049,906)
	1,390,096
Amount of debt applicable to debt limit	
Legal debt margin	\$ 58,143,649

Allowable percentage of real market value:

A Kindergarten through eighth grade, 9 x .0055	4.95%
B Ninth through twelfth, 4 x .0075	3.00%
Allowable percentage	7.95%

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district based on the following:

A. For each grade from kindergarten to eighth for which the district operates schools, fifty-five one-hundredths of one percent of the real market value.

B. For each grade from ninth to twelfth for which the district operates schools, seventy-five one-hundredths of one percent of the real market value.

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Board of Directors
Grant School District No. 3
Canyon City, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Grant School District No. 3 (the district) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020.

COMPLIANCE

As part of obtaining reasonable assurance about whether the district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation.

In connection with our testing nothing came to our attention that caused us to believe the district was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, with exception of expenditures in excess of appropriations as follows:

Debt Service Fund	Debt service	\$195,226
PERS Debt Service Fund	Debt service	\$11,402

OAR 162-10-0230 INTERNAL CONTROL

In planning and performing our audit of the financial statements, we considered the district’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the district’s internal control. Accordingly, we do not express an opinion on the effectiveness of the district’s internal control.

Our Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 15, 2020, is presented under separate cover.

RESTRICTIONS ON USE

This report is intended solely for the information and use of the board of directors, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these parties.

Amy K. Walker

For Solutions, CPAs PC
 John Day, Oregon
 December 15, 2020



Oregon Secretary of State – Audits Division
Summary of Revenues and Expenditures

Please refer to instructions on next page.

A. Municipal corporation information			
Municipality name: <u>Grant School District No. 3</u>			
Address line 1:	<u>401 North Canyon Blvd</u>	Reporting period: From	<u>07/01/2019</u>
Address line 2:		To	<u>06/30/2020</u>
City, state, ZIP:	<u>Canyon City</u>	<u>OR</u>	<u>97820</u>
Check if new address:	<input type="checkbox"/>	Report type:	<u>Audit</u>
If this is the final report, please enter the last date of operations:		Opinion issued:	<u>Qualified</u>
		Basis of accounting:	<u>GAAP</u>

B. Financial statement audit – Reported deficiencies	
1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported? <u>1</u>	3. How were deficiencies communicated? Check all that apply. <input checked="" type="checkbox"/> Report issued in accordance with Government Auditing Standards <input type="checkbox"/> Communication in accordance with Statements on Auditing Standards AU-C 265 "Communicating Internal Control Related Matters Identified in an Audit" <input type="checkbox"/> Other (specify communication): _____ <input type="checkbox"/> No deficiencies
2. Of those control deficiencies reported, how many resulted in the following: Accounting errors/Misstatements: <u>0</u> Noncompliance: <u>0</u>	Per OAR 162-010-0230, a copy must be filed with Secretary of State.

C. Summary of revenues and expenditures			
Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 11,146,097	a. Expenditures from government-wide statement of activities:	\$ 9,019,616
b. Fiduciary fund additions:		b. Fiduciary fund deductions:	
c. Gross revenues subtotal (a + b):	\$ 11,146,097	c. Gross expenditures subtotal (a + b):	\$ 9,019,616
d. Revenues of component units:		d. Component unit expenditures reported with primary government:	
e. Taxes, assessments and other collections to be distributed to other governments:		e. Turnovers to other municipal corporations:	
f. Exempt revenue subtotal (d + e):	\$ 0	f. Exempt expenditures subtotal (d + e):	\$ 0
g. Net revenues (c – f):	\$ 11,146,097	g. Net expenditures (c – f):	\$ 9,019,616

D. Filing fee:	\$ 300
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E. Submitted by			
Auditor name:	<u>Amy K. Walker, CPA</u>	Municipal license number:	<u>1604</u>
Firm name:	<u>Solutions, CPAs PC</u>	Date:	<u>12/15/2020</u>
Municipal contact name, title:	<u>Heidi Hallgarth, Business Manager</u>	Municipal phone:	<u>(541) 575-1280</u>

Within 30 days of delivering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Audits Division, and one copy must be delivered to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with *Government Auditing Standards*, a copy of that communication must also be filed. (OAR 162-010-0230)

OREGON DEPARTMENT OF EDUCATION
REQUIRED INFORMATION

FORM 581-3211 - SUPPLEMENTAL INFORMATION

GRANT SCHOOL DISTRICT NO. 3
 Canyon City, Grant County, Oregon
OREGON DEPARTMENT OF EDUCATION REQUIRED INFORMATION
FORM 581-3211 - SUPPLEMENTAL INFORMATION
 June 30, 2020

A. Energy bills for heating – Enter expenditures for electricity and heating fuel for these functions and objects.

Function	Objects 325, 326 and 327
2540	\$ 216,587
2550	\$ 15,587

B. Replacement of equipment - General Fund: Include all General Fund expenditures for objects 542, except for the following exclusions:

\$ -

Exclude these functions:

- 1113 Co-curricular activities
- 1122 Co-curricular activities
- 1132 Co-curricular activities
- 1140 Pre-kindergarten
- 1300 Adult/continuing education
- 1400 Summer school
- 4150 Facilities, acquisition and construction
- 2550 Student transportation
- 3100 Food services

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS



Mitch T. Saul, CPA
Amy K. Walker, CPA
Anna K. Bass

Robert M. Armstrong, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Grant School District No. 3
Canyon City, Grant County, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Grant School District No. 3 (the district), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the district's basic financial statements, and have issued our report thereon dated December 15, 2020. Our report contained a qualified opinion for the governmental activities and an unmodified opinion on the major funds. The modification was the result of not having performed a valuation of the implicit rate subsidy associated with retiree health insurance.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the district's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we do not express an opinion on the effectiveness of the district's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified one deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the district's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2020-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. See Independent Auditor's Report Required by Oregon State Regulations for instances of noncompliance, if any, with matters related to Oregon statutes.

District's Response to Findings

The district's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The district's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the district's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Solutions, CPAs PC
John Day, Oregon
December 15, 2020

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SCHEDULE OF FINDINGS AND RESPONSES

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2020

MATERIAL WEAKNESS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2020-001

Financial Statement Preparation

Criteria: The financial statements are the responsibility of the district's management, including the prevention or detection of material misstatements in the presentation and disclosure of the financial statements. Non-attest services performed by the auditor in the preparation of the financial statements cannot be considered compensating controls.

Condition: The district engages their auditors to provide non-attest services for the preparation of its financial statements. Although common for municipalities the size of the district, this condition represents a control deficiency over the financial reporting process that is required to be reported under professional standards as long as management makes all financial reporting decisions, and accepts responsibility for the content of the financial statements. However, those activities performed by the auditor are not a substitute for, or extension of, internal controls over the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP).

Cause: The district's accounting personnel do not possess the advanced training that would provide the expertise necessary to prepare the financial statements and related notes in accordance with GAAP, and therefore may not be able to prevent or detect a material misstatement in the preparation and disclosure of the financial statements. Misstatements in financial statements may include not only misstated financial amounts, but also the omission of disclosures required by GAAP.

Effect: Material misstatement in the preparation and disclosure of the financial statements in accordance with GAAP may not be prevented or detected. Misstatements in financial statements include not only misstated dollar amounts, but also the omission of disclosures required under GAAP.

Recommendations: We understand that it may not be practical to acquire or allocate the internal resources to perform all of the controls necessary over financial reporting. However, management (including the Board of Directors) should mitigate this deficiency by keeping informed about the district's internal controls, performing supervisory reviews, studying the financial statements and related footnote disclosures, and understanding its responsibility for the financial statements as a whole.

This deficiency is related specifically to the preparation of GAAP basis financial statements and does not adversely affect the district's ability to initiate, authorize, record, process, or report financial data reliably in accordance with their budget basis of accounting.

Responsible Official's Response: We understand the importance of risk management and the need to address risks in an informed, cost-beneficial way. As a result of our cost-benefit analysis we have determined the value of incurring the additional expense of hiring a staff person or another firm to prepare our financial statements does not justify the cost.